

**MINUTES OF THE
EXECUTIVE APPROPRIATIONS COMMITTEE**

Wednesday, February 28, 2013 - 5:10 p.m. - Room 210 Senate Building

Members Present:

Sen. Lyle W. Hillyard, Co-Chair
Rep. Melvin R. Brown, Co-Chair
Sen. Jerry W. Stevenson, Vice Chair
Rep. Brad R. Wilson, Vice Chair
Sen. J. Stuart Adams
Sen. Gene Davis
Sen. Patricia W. Jones
Sen. Peter C. Knudson
President Wayne L. Niederhauser
Sen. Karen Mayne
Sen. Ralph Okerlund
Sen. Luz Robles
Rep. Joel K. Briscoe
Rep. Rebecca Chavez-Houck

Rep. Tim M. Cosgrove
Rep. Brad L. Dee
Rep. Gregory H. Hughes
Rep. Don L. Ipson
Rep. Jennifer M. Seelig

Members Excused:

Speaker Rebecca D. Lockhart

Staff Present:

Mr. Jonathan Ball, Legislative Fiscal Analyst
Mr. Steven Allred, Deputy Director
Ms. Greta Rodebush, Legislative Secretary
Ms. Linda Black, Committee Secretary

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

1. Call to Order/Approval of Minutes

Co-Chair Hillyard called the meeting to order at 5:20 p.m. He indicated that there was additional overflow seating in Room 220. There were no minutes to approve.

2. Unfinished Business from Previous Review/Adopt February Revenue Estimates

There was no unfinished business for this agenda item.

3. Budget Presentation: Veterans' Affairs

Mr. Brian Fay, Fiscal Analyst, LFA, presented the Budget Brief, "Department of Veterans' Affairs" and Issue Brief, "Department of Veterans' Affairs Federal Funds Authorization."

Mr. Fay briefly discussed the department's outreach efforts including the development of a database system, State Approving Agency responsibilities, the Veterans' Cemetery, and the Veterans' Nursing Home program.

Mr. Fay explained that the Salt Lake Veterans' Nursing Home (SLVNH) was recently awarded \$175,000 from Home Depot to help fund a major remodel. He stated that the department was able to use this money to obtain a federal matching grant of \$642,200 to put towards the SLVNH remodel.

Mr. Fay also discussed the Veterans' Nursing Home Fund, which is a restricted special revenue fund that is used for nursing home operations. The Analyst recommends establishing a separate item of appropriation for this fund to more accurately reflect revenues, expenditures, and balances.

Mr. Fay reviewed the analyst recommendations for the budget, federal funds, building block requests, fees, and intent language.

The recommended budget for FY 2014 for Veterans' Affairs is \$2,370,400, including \$1,250,400 from the General Fund, \$933,200 in federal funds, and \$186,800 in dedicated credits.

The analyst recommended the authorization of \$3,164,000 in additional federal funds for FY 2013 to cover funds received for the cemetery and the veterans' database system. In addition to federal funds, Utah Code 63J-7-203 requires that an agency seek approval from the Executive Appropriations Committee (EAC) to receive other grants. Therefore, the analyst recommended that the EAC approve the \$175,000 award from Home Depot.

The UDVA also requested \$34,000 for a compact excavator for the veterans' cemetery and \$84,300 for a new bus to replace one of the aging buses that were donated to the Ogden Nursing Home by UTA.

Mr. Fay stated that there were no changes in fees from FY 2013 and that the department had requested nonlapsing FY 2013 intent language to include: \$130,000 - Administration, \$20,000 - Veterans' Cemetery, and \$30,000 - Veterans' Nursing Home.

Co-Chair Hillyard thanked Mr. Fay for his presentation. He recognized Mr. Terry Schow for his many years of service as this will be his last meeting as Executive Director.

Mr. Terry Schow, Executive Director, Utah Department of Veterans' Affairs, thanked the committee and the Legislature for their support of Utah's veterans over the years. He commented on the economic benefits of the four nursing homes that will come on line by the end of May.

Mr. Schow indicated that the Governor's Office authorized the department to request one person for outreach efforts. He referred to a handout that compares Utah's veterans population to other states of similar population in terms of compensation and pension benefits.

Mr. Schow noted that the Veterans' Administration gave the department \$150,000 to build a database of Utah veterans. He stated that the Governor's budget also authorized the department to request a database person to administer that program as well. Finally, the Reintegration Task Force has requested another person to help coordinate efforts between the departments.

Rep. Cosgrove thanked Mr. Schow for his service.

Rep. Hughes echoed Rep. Cosgrove's sentiments.

Rep. Dee stated that he and other legislators appreciated Mr. Schow's undying devotion in bringing about the veterans' nursing homes.

Co-Chair Hillyard thanked Mr. Schow and stated that he would take the UDVA requests under advisement.

4. Subcommittee Reports

a. Higher Education

Sen. Stephen H. Urquhart and Rep. Keith Grover, Co-Chairs, and Rep. Spencer J. Cox, House Vice Chair, presented the subcommittee report.

Rep. Grover remarked that the Legislature for the past few years has been focusing on achieving greater performance from our universities and applied technology colleges. He stated that this theme is reflected in this year's prioritizations for funding. Rep. Grover briefly discussed the subcommittee's highest on-going priorities on page 4-67 and 4-68.

Sen. Urquhart pointed out that the subcommittee recommended \$1 million for performance based funding. This recommendation reflects the subcommittee's interest in taking a different approach to funding. Sen. Urquhart explained that the college and university presidents have been very cooperative and came up with criteria they wanted to be measured on. He also stated that there is a lot of innovation in this area of the budget.

Sen. Jones expressed her appreciation to Sen. Urquhart for the way he communicated with subcommittee members.

Rep. Wilson inquired about the \$10 million ongoing funding request for Item 3: UCAT Campus Capacity Building. Sen. Urquhart explained that the applied technology colleges are viable option to students seeking post secondary degrees or certification. UCAT's completion and job placement rates are very high. Because each campus is aligned to the regional marketplace, funding needs are different. The \$10 million will help build capacity and offset campus waiting lists.

Rep. Wilson asked how the \$20 million for Item 6: 66% Goal would be spent. Sen. Urquhart explained that the subcommittee took a coordinated approach in determining how the funding should be allocated to the various higher education institutions. Discussions were held on a regional basis to find out the needs of the students and the marketplace. Again, college and university presidents were willing partners in these discussions.

Rep. Chavez-Houck asked how the colleges and universities will be in evaluated against the goals they have set for themselves. Rep. Grover stated that in its final meeting, the Higher Education Appropriations Subcommittee asked the entities to follow up on a number of issues and report back to the subcommittee on how they are meeting their performance measures and delivering products.

b. Public Education

Sen. Howard A. Stevenson and Rep. Bradley G. Last, Co-Chairs, and Rep. Steve Eliason, House Vice Chair, presented the subcommittee report.

Rep. Last discussed the subcommittee's ongoing and one-time budget priorities on pages 7-26 and 7-27.

Rep. Last explained that each of the subcommittee members had the opportunity to participate in the prioritization process. He felt that the process was fair. Votes were averaged in the House and averaged in the Senate, and then combined and averaged again for a ranking. Rep. Last indicated that the subcommittee made very few changes once the list had been completed.

Sen. Stephenson commented on the year's prioritization process. He also felt that it was a fair process and that everyone weighed in. He pointed out that the subcommittee understood that the EAC, once it finds out how much money will be available for public education, will massage those figures to accomplish as much good as possible.

Sen. Jones asked how the priority list was weighted. Sen. Stephenson responded that the House and the Senate were weighted equally. Staff used a statistical process that inverted the scores for weighting purposes. The scores were then tallied and averaged in each house and then combined and averaged to come up with a ranking. Rep. Last added that this process takes the power away from the chairs.

Rep. Briscoe asked if the Public Education Appropriations Subcommittee was the only committee that weights both houses equally. Sen. Stephenson did not know how the other subcommittees rank their priorities. It was his understanding that most committees use a motion process. He stated that because public education is so large and because legislators consider it the highest priority in our funding process, the co-chairs felt it was important that every committee member have an equal vote and each house have an equal weight.

Rep. Briscoe asked if the one-time funding for School Building Earthquake Inspection was tied to any legislation. Sen. Stephenson stated that it was not.

c. Executive Offices and Criminal Justice

Sen. Daniel Thatcher and Rep. Eric K. Hutchings, Co-Chairs, and Rep. Keven Stratton, House Vice Chair, presented the subcommittee report.

Sen. Thatcher called attention to "EOCJ: Items for EAC Consideration" page 3-73 that the state is obligated to pay, namely, legal settlements and costs associated with immigration acts. He noted that if pending legislation passes, the costs associated with immigration may be delayed. Rep. Hutchings stated that these funding items equate to more than \$25 million, and while they must be paid, they are not building blocks to the agencies. He stated that the subcommittee has asked that the EAC consider these items separate from the building blocks.

Sen. Thatcher referred to the priority list on page 3-74 as a backup list. He stated that the subcommittee passed a motion that if the one-time reallocations on page 3-76 were not approved, that they be moved back onto the one-time priority list in original priority order (backup list).

Sen. Thatcher stated that the subcommittee challenged the agencies to look for ways of reallocating resources in order to take care of more critical issues. By re-prioritizing and reorganizing internally, the

Department of Corrections was able to increase funding for Substance Abuse Treatment and the Parole Violators Center. The reallocation lists on pages 3-75 and 3-76 reflect the agencies' work to re-prioritize.

Rep. Hutchings discussed the on-going building blocks on page 3-77. He briefly discussed Item 2: Genesis Work Camp - \$1,250,000.

Rep. Hutchings noted that there is a demand for additional services through the Courts, primarily out of the Uintah Basin area due to increased growth. The Courts are recommending another judge position to handle caseload growth. He mentioned that funding for Item 1: GAL Attorney and Staff 8th District and Item 7, Child Protection Caseload Increases could help support a new judge position.

Rep. Hutchings briefly commented on the prioritization list for one-time funding requests on page 3-78. He noted that while Item 1, STEM Resource Center - \$4 million should be on the list, the subcommittee did not intend for STEM to be at the top of the list.

Rep. Chavez-Houck commented that H.B. 469, Immigration Related Amendments may be repealed this year and could potentially be taken off the priority list.

Rep. Wilson asked for some clarification on the subcommittee's back up list on page 3-74.

Rep. Wilson asked if the one-time reallocation on page 3-76 for Jail Contracting Growth, \$1,746,000 will offset the need for fully funding the ongoing request for Item 14, Jail Contracting Growth - \$2,756,000. Sen. Thatcher confirmed that it did. Rep. Hutchings pointed out that in order to accommodate the growth in inmate population, the state will need to increase jail contracting and expand within our prisons as well.

Sen. Adams asked if the DNA Scientists item was funded through a one-time reallocation. Sen. Thatcher confirmed that it was. Sen. Adams also asked why Item 2, Growth Commission, LeRay McAllister - \$200,000 was prioritized higher than Item 7, Drug Courts - \$373,500 on the one-time priority list on page 3-78. Rep. Hutchings explained that this ranking was not representative of how the subcommittee had originally ranked the Growth Commission, which was placed at the bottom of the list on page 3-74.

Rep. Cosgrove asked about the caseload size on Items 7, Child Protection Caseload Increases (Uintah Basis) - \$155,000, and Item 19, Child Protection Caseload Increases (Utah County) - \$100,000 on page 3-77. Sen. Thatcher stated that he would have to check with the Attorney General's Office, but it was his understanding that in Uintah County, the caseload is much higher than in other counties in the state. The caseload in Utah County is high as well.

Co-Chair Hillyard observed that the subcommittee had not ranked the priority needs of judges on page 3-77. He understood that two bills had been filed, one for a district court judge and one for a juvenile court judge in the Uintah Basin area. He said it would have been helpful to see where the subcommittee ranked those judges, given the large number of funding requests. Rep. Hutchings responded that the subcommittee had been advised that the two judges did not need to be on the list. Originally, the two judges were on the list. He said that this was by no means intentional.

d. Infrastructure and General Government

Sen. Wayne Harper and Rep. Gage Froerer, Co-Chairs, and Rep. Jake Anderegg, House Vice Chair presented the subcommittee report.

Sen. Harper reviewed the budget recommendations for the Utah Department of Transportation (UDOT) for FY 2014 on pages 5-24 through 5-36 and FY 2013 on pages 5-62 through 5-68. Sen. Harper stated that the subcommittee authorized increased funding for the operations & maintenance budget by 1.6 percent for \$2.2 million. The subcommittee also increased the equipment purchase budget by \$790,000 one-time. He noted that over 300 miles of new roads that were added to the state system included additional lanes on I-15 Core, Mountain View Corridor, Southern Parkway, and widening on other roads. Sen. Harper stated that on pages 5-37 through 5-46, the subcommittee internally reallocated funds within the Department of Administrative Services (DAS) to cover agency priorities. The subcommittee did not appropriate any new money, but re-adjusted funds that were in that agency by \$200,000. On page 5-69, the subcommittee recommended \$1,023,000 for an Authorized Capital Outlay increase to expand the CNG fleet by 70 vehicles as authorized by the Governor's Office. He noted that there were no new fee increases in UDOT and certain DTS Internal Service Fund rates were adjusted. In addition, the AGRC Utah Reference Network GPS Service Rate (per year) fee was increased from \$400 to \$600.

Rep. Froerer discussed the state funded capital projects on pages 5-76. The subcommittee recommended the following ongoing capital requests from the General Fund and Education Fund: Item 1: Capital Improvements - \$40,000,000, and Item 2: Jail Reimbursement - \$1,000,000. The \$40 million for capital improvements represents just under .95 percent of state building values. With a base budget of \$42 million, capital improvement money totals \$82 million. Rep. Froerer pointed out that the subcommittee has received about \$180 million in project requests this year. The \$1 million for jail reimbursement will fund approximately 100 beds. DAS had originally requested \$2 million for 200 beds.

Rep. Froerer discussed the one-time state funded projects on page 5-77. He stated that Items 3 - 6 were ranked very high by the committee because most of these projects have at least fifty percent if not 75 percent of outside money coming into these projects. They included: Item 3: Taylorsville Pedestrian Tunnel - \$700,000; Item 4: Pioneer Bridge - \$200,000; Item 5: Historic Wendover Airfield - \$200,000; and Item 6: Global Positioning Reference Network - \$180,000.

Rep. Froerer also identified a number of larger one-time projects for the committee's consideration. In regards to Item 8: Ogden Juvenile Court - \$26,800,000, he clarified that the architects now estimate that the project will cost an additional \$2.5 million. The subcommittee also recommended bonding for Item 14: UVU Facility - \$53,200,000 (not shown on the list) along with possible bonding for Items 15 - 27.

Rep. Froerer referred to the handout, "Non-State Funded Building Recommended List, 2013 General Session." He commented that Utah State University had told him that the Building Board may have approved their Athletics Competitive Training Facility. The subcommittee did not consider the project nor is it on the list. The subcommittee is trying to ascertain if that approval was given.

Sen. Mayne expressed her appreciation to the Co-Chairs. She commented that yesterday, the subcommittee unanimously approved \$25,000 ongoing for the Judicial Conduct Commission. However, that action was not reflected on the list. Mr. Gary Ricks, Fiscal Analyst, LFA, responded that the Co-Chairs wanted to discuss this item with the EAC. The subcommittee focused on working within its budget allocation.

5. Other Business

MOTION: Rep. Brown moved to adjourn. The motion passed unanimously.

Co-Chair Hillyard adjourned the meeting at 6:33 p.m.

Sen. Lyle W. Hillyard, Co-Chair

Rep. Melvin R. Brown, Co-Chair